

Message Text

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44

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SS-20 NSC-10 L-03 H-03 SEC-03

JUSE-00 FTC-01 SSO-00 NSCE-00 INRE-00 AID-20 CEA-02

CIAE-00 COME-00 EA-11 FRB-02 INR-10 IO-14 NEA-11

NSAE-00 RSC-01 OPIC-12 SPC-03 TRSE-00 CIEP-02 LAB-06

SIL-01 OMB-01 DRC-01 (ISO) W
----- 037530

O R 211533Z JAN 74

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC IMMEDIATE 1297

INFO AMEMBASSY OSLO

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

USMISSION OECD PARIS

USMISSION EC BRUSSELS

UNCLAS STOCKHOLM 0232

E.O. 11652: N/A

TAGS: EFIN, SW

SUBJECT: FOREIGN DIRECT INVESTMENT IN USA

REF: STATE 11634: A-322 JULY 31, 1973; A-58 FEB. 13, 1973;
STOCKHOLM 2379 JULY 17, 1972

1. SWEDISH POLICY TOWARD FOREIGN INVESTMENT IN SWEDEN IS BASICALLY NEUTRAL, I.E., AS A GENERAL RULE FOREIGN INVESTMENT IS NEITHER INVITED NOR DISCOURAGED. HOWEVER, MOST APPLICATIONS FOR INVESTMENT ARE APPROVED, AS ARE MOST APPLICATIONS BY SWEDISH FIRMS TO INVEST ABROAD. WHILE THERE ARE RESTRICTIONS ON FOREIGN INVESTMENT IN SWEDEN IN SECTORS SUCH AS BANKING, INSURANCE, FORESTRY, MINING, AND OTHER NATURAL RESOURCES, EMBASSY IS UNAWARE OF INSTANCES OF DISCRIMINATION AGAINST FOREIGN-OWNED FIRMS OPERATING IN SWEDEN. (DUN & BRADSTREET IS A UNCLASSIFIED

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SPECIAL CASE INVOLVING CREDIT INFORMATION ISSUE.

SEE A-468, DEC. 21, 1973.)

2. SWEDES HAVE BEEN RELATIVELY CIRCUMSPECT IN THEIR ATTITUDE TOWARD MULTINATIONALS AND GENERAL QUESTION OF FOREIGN OWNERSHIP, MAINLY BECAUSE FOREIGN SHARE OF SWEDISH INDUSTRY IS SMALL AND SWEDISH INDUSTRY ITSELF IS SO HEAVILY INVOLVED ABROAD. AT SAME TIME, OVER LAST YEAR OR TWO, LEVEL OF CRITICISM AGAINST FOREIGN INVESTMENT AND MULTINATIONALS HAS RISEN. THIS EFFORT, WHICH LED BY LABOR AND LEFTIST GROUPS, HAS RESULTED SO FAR IN ESTABLISHMENT OF A HIGH-LEVEL GOVERNMENT COMMITTEE TO STUDY OPERATIONS OF MULTINATIONAL FIRMS AND IN LEGISLATION GIVING GOVERNMENT GREATER CONTROL OVER FOREIGN INVESTMENT IN SWEDEN AND FOREIGN ACQUISITION OF SWEDISH FIRMS. MORE RECENTLY, CRITICISM OF ROLE OF MULTINATIONAL OIL COMPANIES IN OIL CRISIS HAS BEEN HEARD FROM MANY QUARTERS, INCLUDING GOVERNMENT MINISTERS.

3. THUS, INVESTMENT CLIMATE IN SWEDEN HAS DETERIORATED SOMEWHAT AND THERE IS POTENTIAL FOR FURTHER EROSION. PASSAGE OF RESTRICTIVE U.S. LEGISLATION WOULD PROVIDE A USEFUL MODEL FOR THOSE IN SWEDEN WHO WOULD LIKE TO SEE MORE RESTRICTIVE POLICIES ADOPTED HERE. ANY U.S. LEGISLATION WHICH HAD DIRECT ADVERSE IMPACT ON AN IMPORTANT SWEDISH FIRM, E.G., FINANCING FOR VOLVO PLANT TO BE BUILT IN VIRGINIA, WOULD HAVE A MAJOR IMPACT ON SWEDISH OPINION.
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Message Attributes

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